

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION**

In re:)	Chapter 11
)	
Squirrels Research Labs LLC <i>et al.</i> , ¹)	Case No. 21-61491
)	(Jointly Administered)
Debtors.)	
)	Judge Russ Kendig

**SUMMARY OF FIRST APPLICATION OF BROUSE MCDOWELL, LPA, COUNSEL
FOR THE DEBTORS, FOR ALLOWANCE OF COMPENSATION FOR
PROFESSIONAL SERVICES RENDERED TO DEBTORS, AND REIMBURSEMENT
OF EXPENSES FOR THE PERIOD NOVEMBER 23, 2021 THROUGH MAY 31, 2022
ON AN INTERIM BASIS WITH RESPECT TO SQUIRRELS RESEARCH LABS LLC
AND A FINAL BASIS WITH RESPECT TO THE MIDWEST DATA COMPANY LLC**

Name of Applicant:	Brouse McDowell, LPA
Authorized to Provide Professional Services to:	Counsel for the Debtors
Petition Date:	November 23, 2021
Date of Retention:	December 21, 2021 (effective as of November 23, 2021)
Period for which Compensation and Reimbursement is sought:	November 23, 2021 – May 31, 2022
Amount of Compensation sought as Actual, Reasonable and Necessary:	\$148,343.50
Amount of Expense Reimbursement sought as Actual, Reasonable and Necessary:	\$ 6,315.59
Total Amount of Compensation and Expenses Sought to be Reimbursed as Actual, Reasonable and Necessary:	\$154,659.09

This application for services rendered to Squirrels Research Labs LLC is: X interim final.
If this is not the first application filed, please state the following for each other application.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Squirrels Research Labs LLC (9310), case no. 21-61491 and The Midwest Data Company LLC (1213), case no. 21-61492.

This application for services rendered to The Midwest Data Company, LLC is: ____ interim X
final. If this is not the first application filed, please state the following for each other application.

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Squirrels Research Labs LLC <i>et al.</i> , ¹)	Case No. 21-61491
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**FIRST APPLICATION OF BROUSE MCDOWELL, LPA, COUNSEL
FOR THE DEBTORS, FOR ALLOWANCE OF COMPENSATION FOR
PROFESSIONAL SERVICES RENDERED TO DEBTORS, AND REIMBURSEMENT
OF EXPENSES FOR THE PERIOD NOVEMBER 23, 2021 THROUGH MAY 31, 2022
ON AN INTERIM BASIS FOR SQUIRRELS RESEARCH LABS LLC AND FINAL
BASIS FOR THE MIDWEST DATA COMPANY, LLC**

Now comes Brouse McDowell L.P.A. (“Applicant”), counsel for the above-captioned debtors and debtors in possession (each a “Debtor” and collectively, the “Debtors”) and hereby submits its First Application for Allowance of Compensation For Professional Services Rendered to Debtors, and Reimbursement of Expenses for the period from November 23, 2021 through May 31, 2022 (the “Compensation Period”) on an interim basis for Squirrels Research Labs, LLC and a final basis for The Midwest Data Company LLC (the “Application”). In support of the Application, the Applicant respectfully states as follows:

Jurisdiction

1. The United States Bankruptcy Court for the Northern District of Ohio (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Squirrels Research Labs LLC (9310), case no. 21-61491 and The Midwest Data Company LLC (1213), case no. 21-61492.

2. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.
3. The statutory bases for the relief requested herein are Bankruptcy Code sections 330 and 331, Bankruptcy Rule 2016, Local Bankruptcy Rule 2016-1.

BACKGROUND

4. On November 23, 2021 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under Subchapter V of Chapter 11 of Title 11 of the Bankruptcy Code.
5. On December 3, 2021, the Debtors filed an Application to Employ Brouse McDowell, LPA as bankruptcy counsel.
6. On December 21, 2021, this Court granted the Debtors’ Application to Employ Brouse McDowell, effective as of the Petition Date [Docket No. 85].

RELIEF REQUESTED

7. Applicant is a legal professional association engaged in the practice of law and is counsel for the Debtors. By this Application, the Applicant seeks compensation for the professional services it has rendered to the Debtors in the administration of their estates and requests the Court approve the relief sought on a final basis with respect to The Midwest Data Company, LLC.

I. Summary of Compensation Requested.

8. Except as set forth in Paragraphs 10 and 11(a) thru 11(h) below, no payments have heretofore been made or promised to Applicant for services rendered or to be rendered in any capacity whatsoever in connection with these bankruptcy proceedings. No agreement or understanding exists between the Applicant and any other person for the sharing of compensation received or to be received for services rendered or to be rendered in connection

with these bankruptcy proceedings, except for the sharing of compensation among members and employed associates of the Applicant, as permitted by law.

9. In keeping with the Agreed Order: (I) Establishing Procedures For Interim Compensation and Reimbursement of Expenses of Professionals on a Monthly Basis; and (II) Limiting Service of Notices of Hearings on Interim Applications For Compensation, entered on December 28, 2021 (the “Fee Procedures Order”), Applicant has submitted monthly fee statements to the Debtors. Pursuant to the Fee Procedures Order, if no timely objections to Applicant’s monthly fee statements were raised by the Debtors, the United States Trustee, or the Subchapter V Trustee (collectively, the “Notice Parties”), Debtors were authorized to pay 80% of Applicant’s fees and 100% of Applicant’s expenses, with the remaining 20% of Applicant’s fees to remain unpaid (the “Holdback”) pending Court approval.

10. The Chart below details the monthly fee statements issued by Applicant to Debtors pursuant to the Fee Procedures Order and the status of payments from the Debtors with respect to same:

MONTH	FEES	EXPENSES	PAYMENT	HOLDBACK	IN TRUST
Nov/Dec	42,001.50	5,754.14	40,000.00	8,400.30	644.66
January	26,434.00	0.00	26,434.00	5,286.80	5,286.80
February	33,055.50	0.00	33,055.50	6,611.10	6,611.10
March	9,960.50	382.00	8,350.40	1,992.10	
April	20,904.00	179.45	16,902.65	4,180.80	
April	7,811.00	0.00	0.00		
May	7,475.00	0.00	0.00		
May	702.00	0.00	702.00		

TOTALS	148,343.50	6,315.59	125,444.55	26,471.10	12,542.56
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Total Fee and Expense	154,659.09
payments	
applied	-112,901.99

payments in	
trust	-12,542.56
Unpaid	29,214.54

11. More specifically,

(a) A fee statement for the period of November 23, 2021 through December 31, 2021 (the “December 31 Statement”), was submitted to the Notice Parties on or about January 6, 2022, for fees in the amount of \$42,001.50 and expenses in the amount of \$5,754.14. No objections were raised to the December 31 Statement. The Debtors paid interim compensation to Brouse McDowell in the sum of \$33,601.20 and expenses in the amount of \$5,754.14. The Holdback of \$8,400.30 from the December 31, Statement has not been paid.

(b) A fee statement for the period of January 1, 2022 through January 31, 2022 (the “January 31 Statement”), was submitted to the Notice Parties on or about February 10, 2022, for fees in the amount of \$26,434.00. No expenses were incurred during this period. The Debtors paid interim compensation to Brouse McDowell in the sum of \$21,147.20 with a Holdback of \$5,286.80. Inadvertently, the Debtors paid the full amount of the January 31 Statement to Applicant. Applicant is holding the Holdback for the January 31 Statement in the amount of \$5,286.80 in its Trust account.

(c) A fee statement for the period of February 1, 2022 through February 28, 2022 (the “February 28 Statement”), was submitted to the Notice Parties on or about March 4, 2022, for fees in the amount of \$33,055.50. No expenses were incurred during this period. The Debtors paid interim compensation to Brouse McDowell in the sum of \$26,444.40 with a Holdback of \$6,611.10. Inadvertently, the Debtors paid the full amount of the February 28 Statement to Applicant. Applicant is holding the Holdback for the February 28 Statement in the amount of \$6,611.10 in its Trust account.

(d) A fee statement for the period of March 1, 2022 through March 31, 2022 (the “March 31 Statement”), was submitted to the Notice Parties on or about April 11, 2022, for fees in the amount of \$9,960.50 and expenses in the amount of \$382.00. The Debtors paid interim compensation to Brouse McDowell in the sum of \$7,968.40 and expenses in the amount of \$382.00. The Holdback for the March 31 Statement of \$1,992.10 has not been paid.

(e) A fee statement for Squirrels Research Labs LLC for the period of April 1, 2022 through April 30, 2022 (the “April 30 Statement”), was submitted to the Notice Parties on or about May 10, 2022, for fees in the amount of \$20,904.00 and expenses in the amount of \$179.45. The Debtors paid interim compensation to Brouse McDowell in the sum of \$16,723.20 and expenses in the amount of \$179.45. The Holdback for the April 30 Statement in the amount of \$4,180.80 has not been paid.

(f) The April 30 Statement did not include fees for time billed only to matters related to The Midwest Data Company, LLC for the period of April 1, 2022 through April 30, 2022. No fee statement for those services has been submitted to the Notice Parties pursuant to the Fee Procedures Order.

(g) A fee statement for The Midwest Data Company, LLC for the post-confirmation hearing period of May 1, 2022 through May 31, 2022, was submitted to the Debtors on or about June 9, 2022, for fees in the amount of \$702.00. Applicant has received \$ 702.00 from the Debtors.

(h) A fee statement for Squirrels Research Labs LLC for the period of May 1, 2022 through May 31, 2022 (the “SQRL May Statement”), was submitted to the Notice Parties on or about June 9, 2022 for fees in the amount of \$7,475.00 and no expenses. No payments have been received by Applicant for the SQRL May Statement.

12. In sum, Applicant has received and applied payments totaling \$112,901.99 toward fees and expenses totaling \$154,659.09 during the Compensation Period.

13. Applicant's Application requests the Court award compensation to Applicant on an interim basis for the period November 23, 2021 through May 31, 2022 (the "Compensation Period"), in the sum of \$148,343.50 plus allowable expenses for the same period in the sum of \$6,315.59 with respect to Debtor, Squirrels Research Labs LLC, and on a final basis with respect to Debtor, The Midwest Data Company. In addition, this Application requests authority to apply the amount Applicant holds in trust, \$12,542.66, towards payment of the amount of its fees remaining unpaid for work performed during the Compensation Period and for payment of the unpaid balance of \$29,214.54.

II. Summary of Services Rendered.

14. Attached hereto and made a part hereof, as **Exhibit A** is the day-to-day detailed description of legal services rendered by Applicant acting as counsel for Debtors in connection with these bankruptcy proceedings during the Compensation Periods. The attached itemization sets forth in detail the nature of services rendered, the initials of the individuals by whom the services were rendered, the time expended by such individuals in performing such services, the date such services were rendered and the general categories of work performed by the Applicant. The Applicant expended a total of 510.10 hours in providing services at a composite hourly rate of \$290.81. The breakdown of the hours expended by each attorney and their hourly rates are as follows:

SUMMARY FOR THE APPLICATION PERIOD

TIMEKEEPER	INITIALS	HOURS	RATE	TOTAL
Lucas M. Blower (Partner)	LMB	2.20	365.00	803.00
Nicholas P. Capotosto (Partner)	NPC	11.00	360.00	4,345.00
Patrick J. Egan (Partner)	PJE	4.90	360.00	1,764.00
Marc B. Merklin (Partner)	MBM	43.40	525.00	22,785.00
Julie K. Zurn (Partner)	JKZ	223.20	325.00	72,540.00
Jack M. D'Andrea (Associate)	JMD	88.60	225.00	19,935.00
Brian D. Merklin (Associate)	BDM	0.20	225.00	45.00
J. Michele Banner (Paralegal)	JMB	19.10	195.00	3,724.50
Theresa M. Palcic (Paralegal)	TMP	50.90 66.30	185.00 195.00	22,345.00
Alyson R. Ruhm (Paralegal)	ARR	0.30	190.00	57.00
TOTALS		510.10		\$148,343.50

15. While the attached itemization provides a day-to-day summary of services performed by Applicant in its capacity as Debtors' counsel, the Applicant submits the following brief narrative description and summary of services rendered during the Compensation Periods, to assist the Court in its review of this Application in accordance with the Guidelines of the United States Trustee and the United States Bankruptcy Court for the Northern District of Ohio, (collectively the "Guidelines"). In addition, in support of the Applications attached hereto as **Exhibit B** is the Certification of Julie K. Zurn.

16. During the period of time covered by the Applications, Applicant's efforts in major categories include the following:

Asset Disposition

(Fees: \$16,768.00; Hours: 48.40)

17. During the Compensation Period, Applicant worked to obtain authorization of the sale and bidding procedures for the sale of the Debtors' assets, and assisted the Debtors in obtaining a successful sale of their assets. Time spent also included discussions and negotiations with buyer's counsel, lender's counsel, secured and unsecured creditors' counsel. Applicant also spent time drafting documentation of the sale and revising draft documents for the asset purchase. In addition, Applicant spent time responding the motion of Carl Forsell brought pursuant to Rule 60(b).

Business Operations

(Fees: \$13,030.00; Hours: 43.70)

18. During the Compensation Period, the Applicant assisted the Debtors in the initial debtor interviews and helped provide information as requested by the United States Trustee's office. Applicant also worked with the Debtors to compile monthly operating reports, and also reviewed and filed such monthly operating reports. Time spent also included discussions with representatives of the Debtors regarding various employee benefits, customer and vendor issues, insurance claims, and communications, including with utilities and their counsel, and other issues as the Debtors transitioned into these chapter 11 cases.

Case Administration

(Fees: \$12,497.50; Hours: 50.00)

19. During the Compensation Period, Applicant expended time on administrative matters regarding the initial filing of the case, including finalizing and filing first day motions, effectuating notice and service of the same, and addressing and resolving inquiries related to the relief requested in the first day motions. Applicant further spent time revising the orders granting the requested relief. In addition, time spent included the preparation of the required status report for the Debtors.

Executory Contracts and Leases

(Fees: \$7,217.50; Hours: 28.70)

20. During the Compensation Period, the Applicant expended time drafting various motions to reject leases and motion to extend time to assume or reject certain leases or executory contracts, and assisting the Debtors with the preparation of documents related to the cure notice required as a part the sale process approved by the Court.

Schedules and Statements of Financial Affairs

(Fees: \$7,166.50; Hours: 28.30)

21. During the Compensation Period, Applicant completed the process of preparing all of the Debtors' schedules and statements of financial affairs for filing with the Court, including a review of information and compilation of additional information required by the schedules and statement of financial affairs, and ultimately filed all of the necessary papers with the Bankruptcy Court in connection with those schedules and statements of affairs. In addition, Applicant assisted the Debtors in the completion and filing of necessary amendments to the schedules and statement of financial affairs.

Employment of Brouse McDowell

(Fees: \$3,565.30; Hours: 15.30)

22. During the Compensation Period, Applicant expended time preparing the application to retain Brouse McDowell, including the drafting of disclosures and working with the Debtors and United States Trustee in connection with any questions related to the employment.

Cash Collateral and DIP Financing

(Fees: \$3,548.00; Hours: 10.00)

23. During the Compensation Period, Applicant expended time in connection with the negotiations with Instantiation over debtor-in-possession financing. Services rendered during this period included numerous meetings and discussions with Instantiation's counsel for purposes of negotiations over the use of the DIP financing and to discuss and negotiate the terms of the Debtors' budget for operations of the business during the Chapter 11 proceedings. Time spent also included assisting the Debtor in obtaining court approval of the financing and negotiating the provisions of the order authorizing the Debtor's borrowing.

Claims Administration

(Fees: \$32,201.00; Hours: 107.70)

24. During the Compensation Period, Applicant expended time primarily on the preparation of a motion to establish a claims bar date and related notice to creditors. Time in this category further included review of claims filed or scheduled. Applicant also expended time analyzing the claims of various creditors. In addition, Applicant spent time responding to several requests for information pursuant to Bankruptcy Rule 2004, including assisting the Debtors in

the production of responsive documents and attendance at two examinations of the Debtors' representative pursuant to Bankruptcy Rule 2004.

Plan of Reorganization

(Fees: \$37,275.00; Hours: 132.20)

25. During the Compensation Period, Applicant expended most of its time primarily in connection with the plan process for the Debtors, including the development, solicitation, balloting, and confirmation of a plan of reorganization for The Midwest Data Company, LLC, and the development, solicitation, balloting and pursuit of confirmation of a plan of liquidation for Squirrels Research Labs LLC.

Litigation

(Fees: \$7,980.00; Hours: 23.60)

26. During the Compensation Period, Applicant expended its time primarily in relation to the pending Fleur-de-Lis Litigation which has been removed to this Court and is pending as adversary proceeding no. 22-06003.

III. Allowance of Compensation.

27. The allowance of interim compensation for services rendered and reimbursement of expenses in bankruptcy cases is expressly provided for in section 331 of the Bankruptcy Code:

A trustee, an examiner, a debtor's attorney, or any professional person...may apply to the court not more than once every 120 days after an order for relief in a case under this title, or more often if the court permits, for such compensation for services rendered . . . as is provided under section 330 of this title.

11 U.S.C. § 331.

28. With respect to the level of compensation, section 330(a)(1) of the Bankruptcy Code provides, in pertinent part, that the Court may award to a professional person "reasonable

compensation for actual, necessary services rendered” Section 330(a)(3) of the Bankruptcy Code, in turn, provides:

In determining the amount of reasonable compensation to be awarded to an examiner, trustee under chapter 11, or professional person, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including —

- (A) the time spent on such services;
- (B) the rates charged for such services;
- (C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;
- (E) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and
- (F) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. § 330(a)(3). The clear intent expressed in this statute is to provide for adequate compensation in order to continue to attract qualified and competent bankruptcy practitioners to bankruptcy cases.

29. Throughout this case the Applicant has coordinated the work involved, and thus the time expended was assigned in light of the experience and expertise required for a particular task. As shown by this Application and supporting documents, the firm spent its time economically and without unnecessary duplication.

IV. Conclusion.

30. As previously stated, no agreement or understanding exists between the Applicant and any other person for the sharing of any compensation to be received for professional services rendered or to be rendered in connection with this case.

31. No prior application has been made in this or in any other Court for the relief requested herein for the Compensation Periods.

WHEREFORE, the Applicant prays this Court for an Order substantially in the form attached hereto as **Exhibit C**:

1. Approving the allowance and payment of fees for the period November 23, 2021 through May 31, 2022, in the amount of \$148,343.50 on an interim basis for Squirrels Research Labs LLC and a final basis for The Midwest Data Company LLC;

2. Approving reimbursement for actual and necessary expenses advanced for the period November 23, 2021 through May 31, 2022, in the amount of \$6,315.59 on an interim basis for Squirrels Research Labs LLC and a final basis for The Midwest Data Company LLC;

4. Authorizing and directing the Debtors to pay \$29,214.54 which is the amount equal to the sum of Brouse McDowell's compensation and expense reimbursement requested herein, less the sum of (a) \$112,901.99 previously paid by the Debtors and applied by Applicant under the Fee Procedures Order for fees and expenses incurred by Brouse McDowell during the Compensation Period and (b) the amount held in Applicant's Trust account; and

5. Approving Applicant's request to apply the \$12,542.56 held in its Trust account to any allowed fees.

DATED: June 30, 2022

Respectfully submitted,

/s/ Julie K. Zurn

Marc B. Merklin (0018195)

Julie K. Zurn (0066391)

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